



## DEPARTMENT OF COMMERCE

### International Trade Administration

[C-351-846]

### **Certain Hot-Rolled Steel Flat Products of Brazil: Final Results of the Expedited First Sunset Review of the Countervailing Duty Order**

**AGENCY:** Enforcement and Compliance, International Trade Administration, Department of Commerce.

**SUMMARY:** As a result of this expedited sunset review, the Department of Commerce (Commerce) finds that revocation of the countervailing duty order (CVD) on certain hot-rolled steel flat products (HRS) from Brazil would be likely to lead to continuation or recurrence of countervailable subsidies at the levels as indicated in the “Final Results of Sunset Review” section of this notice.

**DATES:** Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

**FOR FURTHER INFORMATION CONTACT:** Macey Mayes, AD/CVD Operations, Office II, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-4473.

### **SUPPLEMENTARY INFORMATION:**

#### Background

On October 3, 2016, Commerce published in *Federal Register* a notice of the CVD order on HRS from Brazil.<sup>1</sup> On September 1, 2021, Commerce published the notice of initiation of the

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<sup>1</sup> See *Certain Hot-Rolled Steel Flat Products from Brazil and the Republic of Korea: Amended Final Affirmative Countervailing Duty Determinations and Countervailing Duty Orders*, 81 FR 67960 (October 3, 2016) (*Order*).

first sunset review of the *Order*, pursuant to section 751(c) of the Tariff Act of 1930, as amended (the Act).<sup>2</sup> Commerce received notices of intent to participate from Cleveland-Cliffs Inc., Nucor Corporation, Steel Dynamics Inc., and United States Steel Corporation (collectively, domestic interested parties) within the deadline specified in 19 CFR 351.218(d)(1)(i).<sup>3</sup> The domestic interested parties each claimed interested party status under section 771(9)(C) of the Act as manufacturers or producers of the domestic like product.<sup>4</sup>

On September 30, 2021, Commerce received an adequate substantive response to the *Notice of Initiation* from the domestic interested parties within the 30-day deadline specified in 19 CFR 351.218(d)(3)(i).<sup>5</sup> Commerce also received a response from the Government of Brazil (GOB).<sup>6</sup> However, we did not receive a substantive response from any other interested party in this proceeding. On October 20, 2021, Commerce notified the U.S. International Trade Commission that it did not receive an adequate substantive response from respondent interested parties.<sup>7</sup> As a result, Commerce conducted an expedited (120-day) sunset review of the *Order*, pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(C)(2).

### Scope of the Order

The merchandise subject to the *Order* is certain hot-rolled, flat-rolled steel products, with or without patterns in relief, and whether or not annealed, painted, varnished, or coated with plastics or other non-metallic substances. The merchandise subject to the *Order* is classifiable under the Harmonized Tariff Schedule of the United States (HTSUS) statistical categories 7208.10.1500, 7208.10.3000, 7208.10.6000, 7208.25.3000, 7208.25.6000, 7208.26.0030, 7208.26.0060, 7208.27.0030, 7208.27.0060, 7208.36.0030, 7208.36.0060, 7208.37.0030,

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<sup>2</sup> See *Initiation of Five-Year (Sunset) Reviews*, 86 FR 48983 (September 1, 2021) (*Initiation Notice*).

<sup>3</sup> See Cleveland-Cliffs Inc.'s Letter, "Notice of Intent to Participate in Sunset Review," dated September 16, 2021; Nucor Corporation's Letter, "Notice of Intent to Participate in Sunset Review," dated September 16, 2021; United States Steel Corporation's Letter, "Notice of Intent to Participate," dated September 16, 2021; Steel Dynamic Inc.'s Letter, "Notice of Intent to Participate," dated September 16, 2021.

<sup>4</sup> *Id.*

<sup>5</sup> See Domestic Interested Parties' Letter, "Domestic Industry's Substantive Response to Notice of Initiation," dated September 30, 2021 (Domestic Interested Parties' Substantive Response).

<sup>6</sup> See GOB's Letter, "Initial Comments," dated September 30, 2021.

<sup>7</sup> See Commerce's Letter, "Sunset Reviews Initiated on September 1, 2021," dated October 20, 2021.

7208.37.0060, 7208.38.0015, 7208.38.0030, 7208.38.0090, 7208.39.0015, 7208.39.0030, 7208.39.0090, 7208.40.6030, 7208.40.6060, 7208.53.0000, 7208.54.0000, 7208.90.0000, 7210.70.3000, 7211.14.0030, 7211.14.0090, 7211.19.1500, 7211.19.2000, 7211.19.3000, 7211.19.4500, 7211.19.6000, 7211.19.7530, 7211.19.7560, 7211.19.7590, 7225.11.0000, 7225.19.0000, 7225.30.3050, 7225.30.7000, 7225.40.7000, 7225.99.0090, 7226.11.1000, 7226.11.9030, 7226.11.9060, 7226.19.1000, 7226.19.9000, 7226.91.5000, 7226.91.7000, and 7226.91.8000. Subject merchandise may also enter under subheadings 7210.90.9000, 7211.90.0000, 7212.40.1000, 7212.40.5000, 7212.50.0000, 7214.91.0015, 7214.91.0060, 7214.91.0090, 7214.99.0060, 7214.99.0075, 7214.99.0090, 7215.90.5000, 7226.99.0180, and 7228.60.6000. The HTSUS statistical categories and subheadings are provided for convenience and customs purposes only. The written description of the scope of the *Order* is dispositive.<sup>8</sup>

#### Analysis of Comments Received

A complete discussion of all issues raised in this sunset review, including the likelihood of continuation or recurrence of subsidization in the event of revocation of the *Order* and the countervailable subsidy rates likely to prevail if the *Order* were to be revoked, is provided in the Issues and Decision Memorandum. A list of the topics discussed in the Issues and Decision Memorandum is attached as an appendix to this notice. The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov>. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <https://access.trade.gov/public/FRNoticesListLayout.aspx>.

#### Final Results of Sunset Review

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<sup>8</sup> For a complete description of the scope of the *Order*, see Memorandum, "Issues and Decision Memorandum for the Final Results of the First Sunset Review of the Countervailing Duty Order on Certain Hot-Rolled Steel Flat Products from Brazil," dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

Pursuant to sections 751(c)(1) and 752(b) of the Act, we determine that revocation of the *Order* would be likely to lead to continuation or recurrence of countervailable subsidies at the following net countervailable subsidy rates:

<b>Exporters or Manufacturers</b>	<b>Net Countervailable Subsidy Rate (Percent)</b>
Companhia Siderurgica Nacional (CNS)	11.30
Usinas Siderurgicas de Minas Gerais S.A. (Usiminas)	11.09
All Others	11.20

#### Administrative Protective Order

This notice serves as the only reminder to parties subject to administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305, which continues to govern business proprietary information in this segment of the proceeding. Timely written notification of return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

#### Notification to Interested Parties

Commerce is issuing and publishing these final results and this notice in accordance with sections 751(c), 752(b), and 777(i)(1) of the Act and 19 CFR 351.218.

Dated: December 29, 2021.

**Ryan Majerus,**

*Deputy Assistant Secretary*

*for Policy and Negotiations,*

*performing the non-exclusive functions and duties of the*

*Assistant Secretary for Enforcement and Compliance.*

## Appendix

### List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the *Order*
- IV. History of the *Order*
- V. Legal Framework
- VI. Discussion of the Issues
  - 1. Likelihood of Continuation or Recurrence of a Countervailable Subsidy
  - 2. Net Countervailable Subsidy Rates Likely to Prevail
  - 3. Nature of the Subsidies
- VII. Final Results of the Sunset Review
- VIII. Recommendation

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